

MEETING NO. 3231
JOURNAL OF PROCEEDINGS
**BOARD OF TRUSTEES OF THE POLICE AND FIRE RETIREMENT SYSTEM
OF THE CITY OF DETROIT**
HELD THURSDAY, FEBRUARY 07, 2019

09:00 A.M.
RETIREMENT SYSTEMS' CONFERENCE ROOM
ALLY DETROIT CENTER, 500 WOODWARD; SUITE 3000
DETROIT, MICHIGAN 48226

TRUSTEES PRESENT

| | |
|--------------------|--|
| SHAWN BATTLE | EX/OFFICIO TRUSTEE/FIRE PREVENTION CHIEF/MAYOR'S DESIGNEE |
| MICHAEL F. BERENT | ELECTED TRUSTEE/FIRE |
| BRENDA JONES | EX/OFFICIO TRUSTEE/CITY COUNCIL PRESIDENT |
| CHRISTA MCLELLAN | EX/OFFICIO TRUSTEE/TREASURER |
| MEGAN S. MOSLIMANI | EX/OFFICIO TRUSTEE/CORPORATION COUNSEL /VICE-CHARPERSON |
| JOHN NAGLICK | EX/OFFICIO TRUSTEE/FINANCE DIRECTOR |
| GEORGE ORZECH | ELECTED RETIRANT TRUSTEE/FIRE |
| JEFFREY PEGG | ELECTED TRUSTEE/FIRE/CHAIRPERSON |
| DEAN PINCHECK | ELECTED TRUSTEE/FIRE |
| PORTIA ROBERSON | EX/OFFICIO TRUSTEE/MAYOR'S ALTERNATE |
| JOHN SERDA | ELECTED TRUSTEE/POLICE |
| GREGORY TROZAK | ELECTED RETIRANT TRUSTEE/POLICE |
| STEVEN WATSON | EX/OFFICIO TRUSTEE/DIRECTOR OF FORECASTING AND ECONOMIC ANALYSIS-BUDGET DEPARTMENT/BUDGET DIRECTOR'S DESIGNEE |

TRUSTEES EXCUSED

| | |
|-----------------|---|
| MATTHEW GNATEK | ELECTED TRUSTEE/POLICE |
| MARK DIAZ | ELECTED TRUSTEE/POLICE |
| ANGELA R. JAMES | EX/OFFICIO RETIRANT TRUSTEE/POLICE/MAYOR'S DESIGNEE |

ALSO PRESENT

| | |
|--------------------|-----------------------------|
| David Cetlinski | Executive Director |
| Ryan Bigelow | Chief Investment Officer |
| Ronald King | General Counsel |
| TaKneisha Johnson | Administrative Assistant IV |
| Dr. Oscar King III | Board Lobbyist |

STAFF EXCUSED

| | |
|---------------|------------------------------|
| Kelly Tapper | Assistant Executive Director |
| Bruce Babiarz | Public Relations Advisor |

POLICE AND FIRE RETIREMENT SYSTEM
CITY OF DETROIT

MEETING NO. 3231
FEBRUARY 07, 2019

CHAIRPERSON

JEFFREY PEGG

A verbal Roll Call commenced at 09:05 a.m. and Chairperson Pegg called the meeting to order.

Present at Roll Call: Shawn Battle, Michael F. Berent, Christa McLellan, John Naglick, George Orzech, John Serda and Gregory Trozak

Re: Approval of February 07, 2019 Agenda

John Serda moved to approve the agenda dated **Thursday, February 07, 2019**. Michael Berent supported. The motion passed unanimously.

RECEIPTS: The Board received the following receipts for Acknowledgment:

| Cash Receipts | | Cash Account: HYBLIQRES | | R/C | Receipt |
|-----------------------|-----------|--------------------------|-----------|---|---------------------------|
| Company: | RSCD-PFRS | Start Date: | 1/15/2019 | | |
| | | End Date: | 2/4/2019 | | |
| 1/18/2019 | CA | Cash Entry | 001151 | Pretax Mandatory Pension Contributions 1-18-19 | R/C 268,308.55 |
| 1/28/2019 | AR | Payment | 000008 | Employer Match October 1 - December 31 2018 Police & Fire | R/C 4,336,110.65 |
| 1/30/2019 | CA | Cash Entry | 001155 | Pretax Mandatory Pension Contribution 1-25-19 | R/C 95,008.52 |
| | | | | | <hr/> 4,699,427.72 |
| Cash Receipts | | Cash Account: LIQUID RES | | R/C | Receipt |
| Company: | RSCD-PFRS | Start Date: | 1/15/2019 | | |
| | | End Date: | 2/4/2019 | | |
| 1/15/2019 | CA | Cash Entry | 001137 | Loan Deduction Programs 1-11-19(\$31,877.81) | R/C 31,877.81 |
| 1/25/2019 | CA | Cash Entry | 001166 | Loan Deduction Program 1-18-19 (\$76,441.14) | R/C 76,441.14 |
| | | | | | <hr/> 108,318.95 |
| Total Receipts | | | | | <hr/> 4,807,746.67 |

Re: Approval of Disbursements

Michael Berent moved to approve the **Disbursement List** as outlined below. Christa Mclellan supported. The motion passed unanimously.

Disbursements

Page 1 of 1
Date 2/4/2019 8:11 AM

| Account | Payment Method | Currency | |
|---|-----------------------|---|----------------------|
| HUNT VEND | ACH | US | |
| <hr/> | | | |
| Vendor Name | Invoice Number | Invoice Description | Amount To Pay |
| 500 WEBWARD LLC | 72816 | February 2019 Rent | 24,998.49 |
| 8x8 INC. | 2296702 | Phone System Services | 1,362.05 |
| BNY Mellon | 111-2019-0002546 | Management Fees - 4th Qtr '18 | 72,373.25 |
| CRESTWOOD ASSOCIATES L.L.C. | INV042117 | Acumatica Training & Implementation | 75.00 |
| PENN CAPITAL MANAGEMENT COMPANY, Inc | 123118 | Management Fees - 4th Qtr '18 | 51,119.66 |
| Cash Account/Payment Method Total: | | | 149,928.45 |
| <hr/> | | | |
| HUNT VEND | CHECK | US | |
| <hr/> | | | |
| Vendor Name | Invoice Number | Invoice Description | Amount To Pay |
| ANGELA JAMES | 011019AJ | Trustee Parking | 100.00 |
| BLOOMBERG FINANCE LP | 5604783951 | Bloomberg Anywhere 1/21/18-4/20/19 | 5,625.00 |
| COMCAST | 011719 | High Speed Internet (Acct #8529 10 205 0807923) | 180.02 |
| First CHOICE Coffee Services | 598068 | Coffee Supplies | 20.98 |
| First CHOICE Coffee Services | 598227 | Equipment Rental | 30.00 |
| GABRIEL, ROEDER, SMITH & CO | 444519 | EDRO Calculations for Anthony Ely | 1,350.00 |
| SCANTRON CORPORATION | 14422949 | Toner Cartridge Supply | 2,375.20 |
| Cash Account/Payment Method Total: | | | 9,681.20 |

* Payment amount is estimated based on the effective date 2/4/2019

Re: Approval of Refunds (Accumulated Contributions)

Gregory Trozak moved to approve the **Refunds/Accumulated Contributions** list as outlined below John Serda supported. The motion passed unanimously.

LIST NUMBER 3773 - \$457,092.98

LIST NUMBER 3774 - \$303,912.44

Re: Approval of the Frozen Defined Contribution Plan/ Employee Loan Program

Michael Berent moved to approve the **Frozen Defined Contribution Plan/ Employee Loan Program** as outlined below. Christa Mclellan supported. The motion passed unanimously.

LIST #1 01/31/2019 – \$41,539.00

LIST #2 02/07/2019 – \$23,419.00

Re: Approval of Minutes/Journal of Proceedings No. 3229 – (01/10/2019)

Michael Berent moved to approve the **Minutes/Journal of Proceedings No. 3229 (01/10/2019)** Christa Mclellan supported. The motion passed unanimously.

EXECUTIVE DIRECTOR'S REPORT

Executive Director, **David Cetlinski**, addressed the following with the Board of Trustees:

- **Conference Approvals**
 - *Protecting Shareholder Rights Forum; April 10-13 2019 in New Orleans, LA, sponsored by Bernstein Litowitz Berger and Grossman, LLP*
 - *NCPERS National Conference; May 18-22, 2019 in Austin, TX*
 - *Investment Education Symposium ; February 27-March 1, 2019 in New Orleans, LA; sponsored by the Opal Group*
- **Trustee Steven Watson entered the Boardroom at 9:10 a.m.**
- **Trustee Dean Pincheck entered the Boardroom at 9:19a.m.**

Re: Protecting Shareholder Rights Forum/Conference Approval

John Serda moved to approve the attendance by those Trustees/Staff interested to attend the **Protecting Shareholder Rights Forum/Conference (Wednesday, April 10th –Saturday April 13th, 2019)**. George Orzech supported. The motion passed unanimously.

Re: NCPERS National Conference

John Serda moved to approve the attendance by those Trustees/Staff interested to attend the **NCPERS National Conference (Saturday, May 18th –Wednesday May 20th, 2019)**. George Orzech supported. The motion passed unanimously.

Re: Investment Education Symposium Approval

John Serda moved to approve the attendance by those Trustees/Staff interested to attend the **Investment Education Symposium (Wednesday, February 27th –Friday March 1st, 2019)**. George Orzech supported. The motion passed unanimously.

CHIEF INVESTMENT OFFICER'S REPORT

Chief Investment Officer, **Ryan Bigelow**, discussed the following matters with the Board:

- Re-cap of the January 28, 2019 Police and Fire Investment Committee meeting
- Trustee Education Initiative

➤ ***Trustee Brenda Jones entered the Boardroom at 09:35 a.m.***

LOBBYIST'S REPORT

Lobbyist, **Dr. Oscar King III**, provided the Board with a legislative update as listed below:

- Senate Repeal Tax
- HB 4034
 - Repeal right to work
- HB 4094
 - Modify definition of qualified city in the Police and Fire protection act.
- Medicaid work requirements
- SB 1
 - Make changes to auto- no fault

➤ ***Trustee Portia Roberson entered the Boardroom at 9:50 a.m.***

GENERAL COUNSEL'S REPORT

General Counsel, **Ronald King**, discussed the following matters with the Board:

- EDRO(S) for approval
 - Re: Joe Tucker v Kjauna Tucker., Case No.: 12-112916-DM
Wayne County Circuit for the State of Michigan, Detroit, Michigan
 - Re: Carl Allen v Juan Lashawn Allen., Case No.: 17-108902-DO
Wayne County Circuit for the State of Michigan, Detroit, Michigan

Re: Joe L. Tucker vs KJauna Tucker., Case No.: 12-112916-DM **Wayne County Circuit for the State of Michigan, Detroit, Michigan**

Motion By: Trustee Orzech Supported By: Trustee Serda

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit ("Board") is in receipt of an Eligible Domestic Relations Order ("EDRO") entered on January 2, 2019, which supplements a Judgment of Divorce entered on January 6, 2014, wherein Alternate Payee **KJAUNA TUCKER** is awarded certain rights to the retirement benefits of Participant **JOE TUCKER**, who is a an active employee, and

WHEREAS, the Board notes that Participant **JOE TUCKER** elected to participate in the Deferred Retirement Option Plan Program ("DROP") as of September 20, 2016, under Component I of the PFRS Combined Plan, and

WHEREAS, the EDRO awards the Alternate Payee **KJAUNA TUCKER** fifty percent (50%) of the marital portion, as defined in the EDRO, of the Participant's "Defined Benefit" plan, being Participant's entitlements to Component I Retirement Allowance and Component II Pension, and

WHEREAS, the Alternate Payee **KJAUNA TUCKER** **IS** entitled to claim fifty percent (50%) of the martial portion, as defined in the EDRO, of the Participant's Component I Retirement Allowance and Component II Pension, when the Participant begins to receive benefits from PFRS, as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO awards the Alternate Payee **KJAUNA TUCKER** a portion, including an additional portion from Participant's remaining share, as defined and set forth in the EDRO, of the Participant's "Defined Contribution Balance," being Participants Component I Voluntary Employee Contribution and Component II Annuity Savings Fund balance, and

GENERAL COUNSEL'S REPORT- Continued

Re: Joe L. Tucker vs KJauna Tucker., Case No.: 12-112916-DM
Wayne County Circuit for the State of Michigan, Detroit, Michigan

Motion By: Trustee Orzech Supported By: Trustee Serda

WHEREAS, the Alternate Payee **KJAUNA TUCKER IS** entitled to claim a portion, including an additional portion from Participant's remaining share, as defined in the EDRO, of the Participant's Component I Voluntary Employee Contribution and Component II Annuity Savings Fund balance, when the Participant is eligible to receive such benefits and as set forth in the EDRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the EDRO are consistent with the provisions of the Retirement System and applicable law, including Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the EDRO, that said court order qualifies as an Eligible Domestic Relations Order and/or a Domestic Relations Order pursuant to Michigan law, and shall pay pension benefits consistent with said court order and this resolution SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this resolution be sent to Alternate Payee Kjauna Tucker, Participant Joe Tucker, and Dante' L. Goss, legal counsel for the Participant.

Yea – Battle, Berent, Jones, Mclellan, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 12

Nay – None

GENERAL COUNSEL'S REPORT- Continued

Re: Carl Allen vs Juan Lashawn Allen., Case No.: 17-108902-DO
Wayne County Circuit for the State of Michigan, Detroit, Michigan

Motion By: Trustee Orzech Supported By: Trustee Serda

WHEREAS, the Board of Trustees for the Police and Fire Retirement System for the City of Detroit ("Board") is in receipt of an Domestic Relations Order ("DRO") entered on November 15, 2018, which supplements a Judgment of Divorce entered on February 13, 2018, wherein Alternate Payee **JUAN LASHAWN ALLEN** is awarded certain rights to the retirement benefits of Participant **CARL ALLEN**, who is a retired employee, and

WHEREAS, the Board notes that retiree CARL ALLEN elected to participate in the Deferred Retirement Option Plan Program ("DROP") as of September 1, 2011 under Component II of the PFRS Combined Plan, and converted to service retirement October 1, 2016 , and

WHEREAS, the DRO awards the Alternate Payee **JUAN LASHAWN ALLEN** fifty percent (50%) of the marital portion, as defined in the DRO, of the Participant's Component I Retirement Allowance and Component II Pension, and

WHEREAS, the Participant **CARL ALLEN** and the Alternate Payee **JUAN LASHAWN ALLEN** **ARE NOT** entitled to a Component I Retirement Allowance benefit because the Participant did not participate in Component I of PFRS as an active employee on or after July 1, 2014 (other than through the DROP election made in 2011), meaning Component I Retirement Allowance does not strictly apply to Participant's service retirement benefits, which all accrued prior to July 1, 2014, in Component II of PFRS, and

WHEREAS, the Alternate Payee **JUAN LASHAWN ALLEN** **IS** entitled to claim fifty percent (50%) of the martial portion, as defined in the DRO, of the Participant's Component II Pension as set forth in the DRO and SUBJECT TO ALTERNATE PAYEE FILING AN APPLICATION FOR SAME, and

WHEREAS, the EDRO provides for the parties to share the cost of the actuary's fees, and

WHEREAS, the Board has been advised by General Counsel that the applicable terms of the DRO are consistent with the provisions of the Retirement System and applicable law, including

GENERAL COUNSEL'S REPORT- Continued

Re: Carl Allen vs Juan Lashawn Allen., Case No.: 17-108902-DO
Wayne County Circuit for the State of Michigan, Detroit, Michigan

Motion By: Trustee Orzech Supported By: Trustee Serda

Public Act 46 of 1991, MCL 38.1701, *et seq.*, and Public Act 100 of 2002, MCL 38.1681, *et seq.*, as applicable,

THEREFORE BE IT RESOLVED, that the Board acknowledges receipt of the DRO, that said court order qualifies as an Domestic Relations Order pursuant to Michigan law, and shall pay pension benefits consistent with said court order and this resolution SUBJECT TO APPLICATION BEING FILED BY THE PARTY SEEKING PAYMENT, and be it further

RESOLVED, that this file be forwarded to the Board's actuary for calculation of the benefits to be paid to the former spouse, and be it further

RESOLVED, that a copy of this resolution be added to the Participant's pension file, and other appropriate records be kept for the Retirement System relative to this matter, and be it further

RESOLVED, that copies of this resolution be sent to Alternate Payee Juan LaShawn Allen, Participant Carl Allen, and Carolyn B. Markowitz, legal counsel for the Alternate Payee, and Trish Oleska Haas, legal counsel for Participant.

Yea – Battle, Berent, Jones, Mclellan, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 12

Nays – None

Re: Entering Into Closed Session

Resolution Moved By: Trustee Jones– Supported By: Trustee Serda

WHEREAS, the Retirement System is subject to the limitation of the Open Meetings Act (“OMA”) being MCL 15.261 et seq. and has adopted a resolution on October 24, 2012 relative thereto; **THEREFORE BE IT**

RESOLVED, that the Board enters into Closed Session for the purpose of discussing Attorney/Client privileged matters regarding the following: pending litigation regarding the Romulus property and Medical Director’s Report.

A Roll Call Vote was taken as follows:

Yea – Battle, Berent, Jones, Mclellan, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 12

Nay – None

The Board entered into **Closed Session** at 09:53 a.m.

➤ ***Trustee Megan Moslimani entered the Boardroom at 10:06 a.m.***

Re: Open Session

John Serda moved to come out of closed session. Christa Mclellan supported. The motion passed unanimously.

The Board returned to **Open Session** at 10:23 a.m.

INITIAL DISABILITIES:

Re: Alesada Colon

Resolution Moved By: Trustee Pincheck Supported By: Trustee Roberson

RESOLVED, that the report of the Medical Director on the case of **Alesada Colon** be **ACCEPTED**, and **FURTHER BE IT**

RESOLVED, that based on the recommendation of the Medical Director, the Board **APPROVE** the application for a **Duty Disability Retirement** filed by **Ms. Colon** with a **re-exam in one year**:

Yea – Battle, Berent, Jones, Mclellan, Moslimani, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 13

Nay – None

INITIAL DISABILITIES:

Re: Charles Howard

Resolution Moved By: Trustee Pincheck Supported By: Trustee Roberson

RESOLVED, that the report of the Medical Director on the case of **Charles Howard** be **ACCEPTED**, and **FURTHER BE IT**

RESOLVED, that based on the recommendation of the Medical Director, the Board **APPROVE** the application for a **Duty Disability Retirement** filed by **Mr. Howard** with a **re-exam in one year**:

Yea – Battle, Berent, Jones, Mclellan, Moslimani, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 13

Nay – None

INITIAL DISABILITIES:

Re: Howard Lee

Resolution Moved By: Trustee Pincheck Supported By: Trustee Roberson

RESOLVED, that the report of the Medical Director on the case of **Howard Lee** be **ACCEPTED**, and **FURTHER BE IT**

RESOLVED, that based on the recommendation of the Medical Director, the Board **APPROVE** the application for a **Duty Disability Retirement** filed by **Mr. Lee** **with a re-exam in one year**:

Yea – Battle, Berent, Jones, Mclellan, Moslimani, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 13

Nay – None

Re: Annual Re-examinations

Resolution Moved By: Trustee Orzech Supported By: Trustee Pincheck

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be **CONTINUED** on the Disability Retirement Payroll with a **re-exam in one year**:

Nzinga Carbin

Yea – Battle, Berent, Jones, Mclellan, Moslimani, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 13

Nay – None

Re: Annual Re-examinations

Resolution Moved By: Trustee Orzech Supported By: Trustee Pincheck

RESOLVED, that in accordance with the recommendation of the Medical Director, the following be **CONTINUED** on the Disability Retirement Payroll with no further **re-exams necessary**:

Damarius Nettles
Matthew Sandora

Yea – Battle, Berent, Jones, Mclellan, Moslimani, Naglick, Orzech, Pincheck, Roberson, Serda, Trozak, Watson and Chairperson Pegg - 13

Nay – None

Re: Real Estate Discussion/Romulus Property

The Board of Trustees discussed the aforementioned at length. Chairperson Pegg directed that the discussion come back before the Board at the next regular scheduled meeting (February 21st, 2019.)

NEW BUSINESS/OLD BUSINESS

- None

ADJOURNMENT

Christa McLellan moved to adjourn meeting #3231. Christa McLellan supported.

Chairperson Pegg adjourned the meeting at 10:30 a.m. The Board's next meeting is scheduled for **Thursday, February 21st, 2019**, at 09:00 a.m. in the Retirement Systems' Conference Room, 500 Woodward Avenue Suite 3000; Detroit, Michigan 48226.

RESPECTFULLY SUBMITTED,



David Cetlinski, Executive Director